Scoping Notice

Environmental Analysis Ballard Petroleum Holdings LLS Federal Wells Big Ben #41-7 and #12-8 Plan of Development

USDA Forest Service (USFS)
Douglas Ranger District
Medicine Bow-Routt National Forests
And
Thunder Basin National Grassland
Campbell County, Wyoming

Proposed Action

The Douglas Ranger District of the Medicine Bow/Routt National Forests and Thunder Basin National Grassland is conducting an environmental analysis of a proposal by Ballard Petroleum Holdings, LLC to drill, complete, operate, and reclaim two (2) conventional oil wells within the administrative boundaries of Thunder Basin National Grassland. Camp Creek Federal # 41-7 would be located in the NE1/4NE1/4 Section 7, Township 54 North, Range 70 West and Camp Creek Federal # 12-8 would be located in the SE1/4NW1/4 Section 8 Township 54 North, Range 70 West (see attached map).

Under the terms of its federal oil and gas lease where the wells are proposed, Ballard Petroleum Holdings, LLC (Ballard) has a legal right to explore, develop, and produce oil and/or natural gas from the area defined in the lease. For operations on a lease on National Forest System lands (NFS), the Forest Service has the authority and responsibility to regulate all surface-disturbing activities conducted pursuant to the lease. The BLM has the authority and responsibility to regulate drilling, downhole operations, production activities, and certain surface activities directly associated with drilling, downhole operations, and production of oil and/or natural gas.

Through the environmental analysis process, the Douglas District Ranger and Buffalo Field Manager will determine where and under what terms and conditions the proponent may develop their oil and gas lease while protecting the natural resources and providing for public safety. Surface developments are required to be consistent with the 2002 Thunder Basin Grassland Plan direction, the 1994 Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland, and other applicable laws and regulations. The purpose of the environmental analysis is to evaluate the site-specific means by which Ballard may develop this oil and gas well on National Forest System Lands.

These are proposed infield wells to be drilled in a known field to determine actual underground circumstances at new depths and rock formations to determine if there are amounts of oil or gas that would be economically viable to develop.

If viable amounts of minerals are found to exist, additional development on the leasehold may be anticipated. If a new source of oil is discovered additional NEPA analysis may be conducted to determine impacts and base decisions about how the future redevelopment of this field would take place.

Purpose and Need

The purpose of this project is to permit Ballard to develop its Federal oil and gas lease, to help meet the public's need for oil and gas and to avoid the loss of Federal mineral resources. Potential oil from Ballard's lease would return royalty revenues to the Federal Treasury.

This project would serve to meet the goal in the 2002 Land and Resource Management Plan for the Thunder Basin National Grassland (Grassland Plan) to improve the capability of the Nation's forests and grasslands providing a desired sustainable level of uses, values, products, and services. Objectives for mineral and energy resources under that goal are to honor all valid existing legal mineral rights and to ensure that reclamation provisions of operating plans are completed to standard.

This project would fulfill the Federal Government's policy to foster and encourage mineral development as expressed in the Mining and Minerals Policy Act of 1970. This project would also fulfill the goals of the 1920 Mineral Leasing Act, as amended, which promotes the development of oil and gas resources.

Lease requirements

The two proposed wells would be drilled on Lease WYW 139424. The lease includes special stipulations for protection of surface resources which will be analyzed and reviewed as part of environmental analysis process. The Forest Service will ensure that the lease stipulations will be complied with and that they are in accordance with Grassland Plan. In some cases, the requirements of Grassland Plans standards and guidelines may exceed the requirements of these lease stipulations.

The lease for this proposal contains a Controlled Surface Use stipulation applicable to any development within 300 feet of any golden eagle nest. New roads or other developments shall be placed out of sight of the existing raptor nest, if possible, unless specific practices are successfully implemented to maintain or increase nesting opportunities. A Timing Limitation Stipulation states that no activities shall be allowed within one-quarter mile of an active golden eagle nest from February 1 to July 31, if they would cause nesting failure or abandonment. A Controlled Surface Use Stipulation exists for potential Mass Wasting, Unstable Areas, Steep Slopes, and areas of potential for Permanent Impairment To Soil Productivity.

Area Description

The area of the proposed project is 35 miles northeast of Gillette, Wyoming, within the administrative boundary of the Medicine Bow-Routt National Forests and Thunder Basin National Grassland, Douglas Ranger District. It is in the Spring Creek Geographic Area (Grassland Plan p. 2-26) and within the Camp Creek Drainage (see attached map).

The access to the lease location is north of Gillette, Wyoming State Highway 59 for approximately 30 miles to the Weston/Soda Butte turn off. Turn east and travel approximately 1.8 miles east on the Heald County Road. Turn north onto Rocky Point Road and travel 2.4 miles north to Forest Service (FS) System Road # 1035 and pipeline corridor. The proposed drill sites are approximately .9 miles and 1 mile east of the access point off Rocky Point Road on Forest Service System road 1035 and pipeline corridor respectively. The pad layouts for the proposed well sites are both on the north side of FS System road #1035. (see attached map).

The terrain in the project area is gently rolling with defined ephemeral drainages. These drainages may have several hundred feet of elevation change from the bottom to the surrounding hilltops. The landscape includes draws and short grass prairie communities on primarily sandstone substrates. Some mid-grass community type exists.

The Grassland Plan management direction for the project area is 5.12 General Forests and Rangelands which emphasizes Range Vegetation.

Visual Resource Management objectives are to design and implement management activities to blend with the natural landscape. The Visual Quality Objective for the area is modification, a classification that allows management activities to visually dominate the original characteristic landscape.

Recreation Opportunity Spectrum class for the project area is semi-primitive motorized. Livestock grazing is the dominant land use. Recreational use, primarily big game hunting, also occurs.

Sagebrush, grassland community wildlife species such as prairie dogs, mule deer, antelope, mountain plover, sage grouse and raptors inhabit the area.

Wellsites

An interdisciplinary team consisting of a Company Representative, Forest Service Mineral Specialist, Range Specialist and Wildlife biologist conducted an onsite inspection of the proposed location on September 9, 2003. Additionally, prior consultation was conducted with Forest Service Engineering and Cultural Resources staff. The location of the proposed well site pad is consistent with lease terms including special lease stipulations.

A level drill pad for each well (approx. 325 feet x 215 feet) would be constructed. The wellhead, tanks and ancillary buildings would be located on this pad.

The amount of ground disturbance is anticipated to be consistent with estimates provided in the Thunder Basin Oil and Gas Leasing Final Environmental Impact Statement (April 1994). Total disturbance associated with road and well site area is expected to be approximately two and half (2.5) acres for each well site.

Facilities will meet color and tone visual requirements.

If production is obtained, portions of the location not needed for production facilities will be re-vegetated. There will be no pits utilized for production. At the end of production or if the well is plugged and abandoned without going into production, the location and access road will be restored to a condition approximating pre-use. The site and all disturbed areas will be reclaimed and reseeded in accordance with Forest Service requirements.

Special Investigations

A Class III cultural resource inventory, Biological Assessment/Biological Evaluation report, and paleontological survey will be completed. Resource specialists will review these documents and prepare final specialist reports for the environmental analysis. Under applicable laws and direction for wildlife and cultural resource management, the Forest Service may require that some drilling operations be delayed or well locations be relocated within the boundaries of the lease to mitigate effects on natural resources.

Relevant Laws

The Mineral Leasing Act of 1920, as amended, and the Mineral Leasing Act for Acquired Lands of 1947, as amended, grant the Department of Interior the responsibility and authority for management of certain Federal leaseable minerals including oil and gas on BLM, National Forest, and other Federal lands. Under the Department of Interior, the BLM carries out these responsibilities. For National Forest System lands, the 1987 Federal Oil and Gas Leasing Reform Act (an amendment to the 1920 Mineral Leasing Act) granted the Secretary of Agriculture the authority to regulate all surface-disturbing activities conducted pursuant to any lease issued under the Act (oil and gas leases). Under the Secretary of Agriculture, the Forest Service carries out these responsibilities.

The Thunder Basin National Grassland, Land and Resource Management Plan, 2002, and the April 22, 1994 Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland provide standards and guidelines for oil and gas development on Thunder Basin National Grassland. Lease WYW 139424 was issued under the Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland (April 22, 1994). The lease will be developed in accordance with the Standards and Guidelines in the 2002 Grassland Plan where those standard and guidelines do not conflict with existing lease rights.

DECISION TO BE MADE

The Responsible Officials for Forest Service and BLM will determine the terms and conditions under which Ballard may occupy the surface and develop its oil and gas lease while protecting natural resources and providing for public access and safety.

The Responsible Official for the Forest Service will provide final approval of the Surface Use Plan of Operations including Conditions of Approval for each oil and gas well on NFS lands.

The Responsible Official for the BLM will provide final approval of the drilling plan and the Application for Permit to Drill for oil and gas wells on NFS Lands. The Application for Permit to Drill includes the Surface Use Plan of Operations and the Drilling Plan.

COMMENTS REQUESTED

At this time the Forest Service seeks information, comments and other assistance from Federal, state, and local agencies, and other individuals or organizations that have an interest in or could be affected by the proposed action. While public comments are welcome at any time, comments received during the official comment period, which ends 30 days after the legal notice requesting comments on this project is published in the Casper Star Tribune Newspaper, will be most useful for the identification of issues and development and analysis of alternatives to the proposal. Comments should be as specific as possible.

No public participation other than this request for comment is planned. All persons who provide comment in response to this request will continue to receive information about this project and will be included in any additional public participation effort that may occur. Those who do not respond will not receive additional information. Only those persons or organization that submit substantive comments during the official comment period, i.e., 30 days after the publication of the legal notice in the Casper Star Newspaper, will be accepted as appellants of the decisions that will be signed.

The name and mailing address of the commenter must be provided with his/her comments for appellant standing and so that future documents pertaining to this environmental analysis and the decision can be provided to them. Comments received in response to this solicitation, including names and addresses of those who comment, will be considered part of the public record on this proposed action and will be available for public inspection. Comments submitted anonymously will be accepted and considered, however, those persons submitting anonymous comments will not have standing to appeal the subsequent decision under 36 CFR Part 215.

Send written comments to the Responsible Official: Robert M. Sprentall, District Ranger Medicine Bow-Routt National Forests and Thunder Basin National Grassland, Douglas Ranger District, 2250 East Richards Street, Douglas, WY 82633, Attention: Mike Sierz. Faxed comments will also be accepted at: 307-358-3072.

E-mail comments may be sent to: comments-rocky-mountain-medicine-bow-routt-douglas-thunder-basin@fs.fed.us. If comments are electronically mailed, the sender should receive an automated electronic acknowledgement from the agency as confirmation of receipt. If the sender does not receive such confirmation, it is the sender's responsibility to ensure timely receipt by other means. Comments may be hand delivered to the Douglas Ranger Station office between 7:30 a.m. and 4:30 p.m., Monday through Friday, except holidays.

Pursuant to 7 CFR 1.27 (d), any person may request the agency to withhold a submission from the public record by showing how the Freedom of Information Act (FOIA) permits such confidentiality. Persons requesting such confidentiality should be aware that under the FOIA confidentiality may be granted in only very limited circumstances such as to protect trade secrets. The Forest Service will inform the requester of the agency's decision regarding the request for confidentiality and where the request is denied, the agency will return the submission and notify the requester that the comments may be resubmitted with name and address within 10 days.

Contact Person Information

For further information contact Mike Sierz, Land Use Authorization Specialist, Lands and Minerals, Douglas Ranger District, 2250 East Richards Street, Douglas WY 82633-8922. Telephone 307-358-4690.

This Public Scoping Notice and the project map are available on the Worldwide Web at: www.fs.fed.us/r2/mbr/projects/mineral/index.shtml

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Ballard Camp Creek Oil Wells

Ballard Petroleum Holdings LLC Proposed Oil Wells Camp Creek Federal Oil Well # 12-8 Camp Creek Federal Oil Well # 41-7

